Saskatchewan Centennial 2005

2005-2006 SASKATCHEWAN PROVINCIAL BUDGET

SUPPLEMENTARY ESTIMATES NOVEMBER

SASKATCHEWAN

The Hon. Harry Van Mulligen

Minister of Finance

106-01210/

SASKATCHEWAN

Supplementary Estimates - November

For the Fiscal Year
Ending March 31
2006

General Revenue Fund
Supplementary Estimates - November
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Introduction

The 2005-06 Supplementary Estimates – November are prepared in accordance *The Financial Administration Act, 1993*. They are requests for additional funding from the General Revenue Fund that were not included in the main Estimates presented with the Government's 2005-06 Budget.

The funding requests reflect the additional commitments that the government has or will undertake during the fiscal year. The requested funding is the net amount required by a department after reallocating voted appropriations not required in other areas of the department.

Once the Legislative Assembly has reviewed and approved (voted) the additional funding requests an Appropriation Act will provide the amounts.

The Supplementary Estimates – November contain revised financial statements and schedules similar in format to those included in the main Estimates and incorporate estimated changes in revenue, expense and loan disbursements.

The detail section of the Supplementary Estimates - November follow the same Vote (department), subvote (major program area) and allocation (component of a subvote) as the main Estimates. The department's mandate and subvote description provided in the main Estimates apply to the Supplementary Estimates – November. Subvote descriptions for new subvotes are incorporated into the explanation for the additional funding.

The Supplementary Estimates – November contain a new Vote for SaskEnergy Incorporated that was not included in the main Estimates. The new Vote is necessary to provide funding for the Saskatchewan Energy Share plan.

The Principles and Concepts, Accounting Policies and Glossary of Terms outlined in the main Estimates apply to the Supplementary Estimates - November.

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Statement of Operations and Accumulated Deficit

(in thousands of dollars)

	Original Estimated 2005-06	Revised Estimated 2005-06	Change 2005-06
Revenue	7,007,532 [1]	7,850,932	843,400
Operating Expense	6,593,918 [1]	7,146,456	552,538
Operating Surplus	413,614	704,476	290,862
Debt Servicing	(588,000)	(558,000)	30,000
Transfer from (to) Fiscal Stabilization Fund	174,455 [2]	(11,300)	(185,755)
Surplus for the Year	69	135,176	135,107
Accumulated Deficit, Beginning of Year	(5,179,793)	(5,047,210) [3]	132,583
Transfer of Saskatchewan Property Management Corporation Equity	337,917	333,094 [4]	(4,823)
Accumulated Deficit, End of Year	(4,841,807)	(4,578,940)	262,867

[1] This amount includes additional amounts provided by Further Estimates prior to the passage of the main *Appropriation Act* as follows: $732K provided to the Department of Agriculture and Food (revenue is also adjusted by $732K) and $29,455K provided to the Department of Learning.

[2] This amount is adjusted by $29,455K to offset the increase in funding provided to the Department of Learning by Further Estimates.

[3] This amount is due to the variance between the 2004-05 forecast and the actual surplus and changes in the valuation of capital assets.

[4] On April 1, 2005, the Saskatchewan Property Management Corporation was disestablished and its assets and liabilities were transferred to the General Revenue Fund. The equity of the Corporation included non-financial assets of $382,782K and net financial liabilities of $49,688K.

Statement of Change in Net Debt

(in thousands of dollars)

	Original Estimated	Revised Estimated	Change
Annual Surplus	69	135,176	135,107
Acquisition of Capital Assets	(194,315)	(211,606)	(17,291)
Amortization of Capital Assets	141,991	142,756	765
(Increase) Decrease in Net Debt from Operations	(52,255)	66,326	118,581
Change due to transfer from Government Organizations	(50,562) [1]	(49,688) [1]	874
Net Debt at Beginning of Year	(6,968,418)	(6,880,388)	88,030
Net Debt at End of Year	(7,071,235)	(6,863,750)	207,485

[1] This change reflects the transfer of the net financial liabilities of the Saskatchewan Property Management Corporation to the General Revenue Fund.

Fiscal Stabilization Fund

(in thousands of dollars)

	Original Estimated	Revised Estimated	Change
Fiscal Stabilization Fund, Beginning of Year	719,500	748,500 [1]	29,000
Transfer from (to) General Revenue Fund [2]	(174,455)	11,300	185,755
Fiscal Stabilization Fund, End of Year	545,045	759,800	214,755

[1] This amount represents the difference between the 2004-05 forecast and the actual transfer to the Fiscal Stabilization Fund.

[2] The transfer from (to) the General Revenue Fund to the Fiscal Stabilization Fund is a statutory appropriation.

Schedule of Budgetary Appropriation

(in thousands of dollars)

	Original Estimated 2005-06	Supplementary Estimated 2005-06	Estimated Adjustments 2005-06	Revised Estimated 2005-06
Executive Branch of Government				
Agriculture and Food	265,060 [1]	159,100	---	424,160
Community Resources and Employment	637,126	---	---	637,126
Corrections and Public Safety	128,343	17,185	---	145,528
Culture, Youth and Recreation	57,186	7,282	---	64,468
Environment	188,716	---	(8,434)	180,282
Executive Council	8,299	---	---	8,299
Finance	43,210	---	---	43,210
- Public Service Pensions and Benefits	213,874	---	(2,251)	211,623
- Servicing Government Debt	588,000	---	(30,000)	558,000
First Nations and Metis Relations	42,502	5,711	---	48,213
Government Relations	161,485	18,478	---	179,963
Health	2,893,766	114,387	---	3,008,153
Highways and Transportation	174,932	3,591	---	178,523
Highways and Transportation Capital	125,098	---	261 [2]	125,359
Industry and Resources	58,623	2,200	---	60,823
Information Technology Office	4,587	---	---	4,587
Justice	212,077	4,111	---	216,188
Labour	14,744	---	---	14,744
Learning	1,193,539 [3]	120,422	---	1,313,961
- Teachers' Pensions and Benefits	160,129	---	---	160,129
Northern Affairs	5,480	---	---	5,480
Property Management	34,469	1,400	---	35,869
Public Service Commission	8,620	150	---	8,770
Rural Development	6,626	1,531	---	8,157
Saskatchewan Research Council	8,190	---	---	8,190
SaskEnergy Incorporated	---	123,940	---	123,940
Legislative Branch of Government				
Chief Electoral Officer	791	---	---	791
Children's Advocate	1,206	---	---	1,206
Conflict of Interest Commissioner	122	---	---	122
Information and Privacy Commissioner	488	---	---	488
Legislative Assembly	19,443	---	---	19,443
Ombudsman	1,666	---	---	1,666
Provincial Auditor	5,932	---	---	5,932
Budgetary Appropriation	7,264,329	579,488	(40,424)	7,803,393
"To be Voted" Appropriation	6,402,251	579,488	(9,880)	6,971,859
"Statutory" Appropriation	862,078	---	(30,544)	831,534
Appropriation to Expense - Reconciliation				
Budgetary Appropriation	7,264,329	579,488	(40,424)	7,803,393
Acquisition of Capital Assets	(194,315)	(1,600)	(15,691) [4]	(211,606)
Amortization of Capital Assets	111,904	765	---	112,669
Budgetary Expense	7,181,918	578,653	(56,115)	7,704,456

[1] This amount includes $732K provided by Further Estimates prior to passage of the 2005-06 main *Appropriation Act*.

[2] This amount represents the expenditure of capital funding that was appropriated in and carried over from the previous fiscal year.

[3] This amount includes $29,455K provided by Further Estimates prior to passage of the 2005-06 main *Appropriation Act*.

[4] This amount includes net transfers between capital and non-capital budgetary appropriations and capital funding that was appropriated in and carried over from the previous fiscal year.

Schedule of Capital Appropriation

(in thousands of dollars)

Capital Asset Acquisitions	Original Estimated 2005-06	Supplementary Estimated 2005-06	Transfers From (to) Non-Capital Appropriations 2005-06	Revised Estimated 2005-06
Agriculture and Food	150	---	---	150
Community Resources and Employment	950	---	---	950
Corrections and Public Safety	5,288	---	---	5,288
Environment	20,765	---	15,430	36,195
Finance	5,233	---	---	5,233
Health	1,724	---	---	1,724
Highways and Transportation	9,009	---	---	9,009
Highways and Transportation Capital	125,098	---	261 [1]	125,359
Industry and Resources	860	---	---	860
Justice	625	---	---	625
Learning	1,045	---	---	1,045
Property Management	23,495	1,400	---	24,895
Provincial Auditor	73	---	---	73
Rural Development	---	200	---	200
Capital Asset Acquisitions	194,315	1,600	15,691	211,606
Capital Transfer Payments				
Environment				
Saskatchewan Watershed Authority	2,851	---	---	2,851
Government Relations				
Transit Vehicles for the Disabled	275	---	---	275
Rural Revenue Sharing - Roads and Other Infrastructure	3,450	---	---	3,450
Canada-Saskatchewan Infrastructure Program	22,658	---	---	22,658
Municipal Rural Infrastructure Fund	9,215	---	---	9,215
Canada Strategic Infrastructure Fund	5,900	---	---	5,900
Urban Development Agreements	500	---	---	500
Health				
Health Facilities	36,500	---	---	36,500
Medical Equipment	20,200	---	---	20,200
Learning				
K-12 Facilities	26,655	1,700	---	28,355
Post-Secondary Facilities	4,375	114,600	---	118,975
Capital Transfer Payments	132,579	116,300	---	248,879
Capital Appropriation	326,894	117,900	15,691	460,485

[1] This amount represents the expenditure of capital funding that was appropriated in and carried over from the previous fiscal year.

Schedule of Appropriation by Classification

(Supplementary Estimates - November)

(in thousands of dollars)

Vote	Government Delivered Programs				Transfers				2005-06 Total
					Transfers for Public Service				
	Salaries	Supplier and Other Payments	Pensions/ Benefits	Capital	Operating	Pensions/ Benefits	Capital	Transfers to Individuals	
Executive Branch of Government									
Agriculture and Food	---	---	---	---	4,300	---	---	154,800	159,100
Corrections and Public Safety	2,470	65	---	---	---	---	---	14,650	17,185
Culture, Youth and Recreation	---	117	---	---	7,165	---	---	---	7,282
First Nations and Metis Relations	54	20	---	---	5,637	---	---	---	5,711
Government Relations	580	579	---	---	17,319	---	---	---	18,478
Health	119	131	---	---	114,137	---	---	---	114,387
Highways and Transportation	150	3,441	---	---	---	---	---	---	3,591
Industry and Resources	175	25	---	---	---	---	---	2,000	2,200
Justice	273	2,987	---	---	851	---	---	---	4,111
Learning	293	551	---	---	2,778	---	116,300	500	120,422
Property Management	---	---	---	1,400	---	---	---	---	1,400
Public Service Commission	80	70	---	---	---	---	---	---	150
Rural Development	260	521	---	200	550	---	---	---	1,531
SaskEnergy Incorporated	---	---	---	---	---	---	---	123,940	123,940
	4,454	8,507	---	1,600	152,737	---	116,300	295,890	579,488

Schedule of Lending and Investing Activities

(in thousands of dollars)

Disbursements	Original Estimated 2005-06	Revised Estimated 2005-06	Change 2005-06
Crown Corporations - Loans			
Vote			
165 Crown Investments Corporation of Saskatchewan	- - -	- - -	- - -
170 Education Infrastructure Financing Corporation	- - -	- - -	- - -
151 Municipal Financing Corporation of Saskatchewan	5,000	5,000	- - -
161 Saskatchewan Crop Insurance Corporation	- - -	- - -	- - -
154 Saskatchewan Opportunities Corporation	1,700	5,700	4,000
152 Saskatchewan Power Corporation	236,500	250,000	13,500
153 Saskatchewan Telecommunications Holding Corporation	95,000	- - -	(95,000)
140 Saskatchewan Water Corporation	13,000	9,900	(3,100)
150 SaskEnergy Incorporated	137,200	100,000	(37,200)
Crown Corporations - Loans *(Statutory)*	488,400	370,600	(117,800)
Other - Loans			
145 Highways and Transportation	800	800	- - -
169 Learning	66,000	62,000	(4,000)
163 Northern Affairs	2,010	2,005	(5)
144 Rural Development	8,000	8,000	- - -
Other - Loans *(To Be Voted)*	76,810	72,805	(4,005)
Loans	565,210	443,405	(121,805)
Investments			
176 Contributions to Sinking Funds *(Statutory)*	89,037	91,230	2,193
146 Agriculture and Food - Land *(To Be Voted)*	400	400	- - -
Investments	89,437	91,630	2,193
Disbursements	654,647	535,035	(119,612)

Debt Redemption

(in thousands of dollars)

	Original Estimated 2005-06	Revised Estimated 2005-06	Change 2005-06
Debt Redemption			
Vote			
175 Crown Enterprise Share *(Statutory)*	303,125	352,104	48,979
175 Government Share *(Statutory)*	747,128	765,796	18,668
	1,050,253	1,117,900	67,647

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General Revenue Fund
Supplementary Estimates - November
For the Fiscal Year Ending March 31, 2006
(in thousands of dollars)

	Voted Supplementary Estimates 2005-06
Budgetary Appropriation	
Executive Branch of Government	
Agriculture and Food - Vote 1	
Farm Stability and Adaptation (AG08)	
Canadian Agricultural Income Stabilization Program	154,800
Industry Assistance (AG03)	
Industry Assistance	4,300
	159,100

Additional funding is required to fully fund the Province's share of the Canadian Agricultural Income Stabilization (CAIS) Program for the 2004 and 2005 program years and for the first year costs of the Province's new multi-year Meat Processing Strategy designed to promote the meat processing industry in Saskatchewan.

Corrections and Public Safety - Vote 73

Adult Corrections (CP04)	
Adult Corrections Facilities	2,535
Public Safety (CP06)	
Provincial Disaster Assistance Program	14,650
	17,185

Additional funding is required to manage higher than anticipated inmate counts in adult correctional facilities and for provincial disaster assistance claims resulting from widespread flooding and windstorms.

Supplementary Estimates - November

Continued

(in thousands of dollars)

		Voted Supplementary Estimates 2005-06
Culture, Youth and Recreation - Vote 27		
Culture (CR03)		
Culture Operations Support	3,033	
Centennial 2005 Office	3,949	6,982
Recreation (CR09)		
Recreation		117
Community Initiatives Fund (CR06)		
Community Initiatives Fund		133
Saskatchewan Communications Network (CR08)		
Saskatchewan Communications Network		50
		7,282

Additional funding is required to provide grants for cultural activities, for carry-over costs of Saskatchewan's 2005 Centennial commitments and for the federal/provincial Building Future Champions Program which emphasizes community development of Aboriginal sport and physical activity. Funding is also required for additional payments to the Community Initiatives Fund in accordance with agreements in distributing gaming proceeds and for an increased operating grant to the Saskatchewan Communications Network.

First Nations and Metis Relations - Vote 25		
Central Management and Services (FN01)		
Executive Management		24
Policy Coordination and Support for Aboriginal Organizations (FN02)		
Policy and Coordination	50	
Support for Aboriginal Organizations and Issues	900	950
Gaming Agreements (FN03)		
First Nations Gaming Agreements		4,737
		5,711

Additional funding is required to provide for costs associated with changes in Ministerial responsibilities, for implementation of the First Nations and Métis Business Development Program, for increased demand for support under the Aboriginal Employment Development Program and for additional payments to the First Nations Trust and Community Development Corporations in accordance with agreements in distributing gaming proceeds.

Supplementary Estimates - November

Continued

(in thousands of dollars)

		Voted Supplementary Estimates 2005-06
Government Relations - Vote 30		
Intergovernmental Relations (GR04)		
Immigration		749
New Deal for Cities and Communities (GR10)		
New Deal for Cities and Communities		17,729
		18,478

Additional funding is required to address the Province's expanded role in promoting immigration and supporting immigrant settlement and integration in Saskatchewan. Funding is also required to provide for and administer payments to Saskatchewan municipalities under the federal gas tax transfer initiative in accordance with the bilateral agreement signed in August 2005.

Health - Vote 32		
Central Management and Services (HE01)		
Executive Management		250
Regional Health Services (HE03)		
Regional Targeted Programs and Services	110,737	
Saskatchewan Cancer Agency	3,400	114,137
		114,387

Additional funding is required to provide for costs associated with changes in Ministerial responsibilities and for payments to Regional Health Authorities to: address the costs of collective bargaining and joint job evaluation; provide support for the Project Hope initiative designed to treat and prevent substance abuse; and, provide for other operational expenditures. Funding is also required to include coverage of the drug Herceptin by the Saskatchewan Cancer Agency.

Supplementary Estimates - November

Continued

(in thousands of dollars)

		Voted Supplementary Estimates 2005-06
Highways and Transportation - Vote 16		
Central Management and Services (HI01)		
Executive Management		150
Operation of Transportation System (HI10)		
Winter Maintenance	441	
Road Safety and Traffic Guidance	2,000	2,441
Preservation of Transportation System (HI04)		
Surface Preservation		1,000
		3,591

Additional funding is required to address costs associated with changes in Ministerial responsibilities and an increase in operating and preservation costs primarily due to increased fuel costs and widespread flooding.

Industry and Resources - Vote 23		
Mineral Revenues (IR04)		
Mineral Revenues		200
Home Heating Assistance for Alternative Fuel Users (IR15)		
Home Heating Assistance for Alternative Fuel Users		2,000
		2,200

Additional funding is required to provide for and administer a portion of the Province's Energy Share plan which provides a one-time home heating payment of $200 for households that use fuel oil or propane rather than natural gas. Low income households receiving income assistance and using fuel oil or propane rather than natural gas are assisted through other programs.

Supplementary Estimates - November

Continued

(in thousands of dollars)

		Voted Supplementary Estimates 2005-06
Justice - Vote 3		
Legal and Policy Services (JU04)		
Public Prosecutions		110
Community Justice (JU05)		
Community Services	21	
Police Programs	45	
Law Enforcement Services	250	
Royal Canadian Mounted Police	785	1,101
Boards and Commissions (JU08)		
Inquiries		2,900
		4,111

Additional funding is required to provide for additional enforcement officers required for implementation of the Project Hope initiative to address substance abuse, gang suppression, and establishing a missing persons investigative task force. Funding is also required to provide for the costs of additional hearing days related to the Milgaard Inquiry.

Learning - Vote 5	
Post-Secondary Education (LR11)	
Post-Secondary Capital Transfers	114,600
K-12 Education (LR03)	
School Capital Transfers	1,700
Training Programs (LR12)	
Basic Education and Literacy	500
Student Support Programs (LR13)	
Provincial Training Allowance	500
Early Learning and Child Care (LR14)	
Early Learning and Child Care	3,122
	120,422

Additional funding is required to provide for: a capital grant to the Academic Health Sciences Centre at the University of Saskatchewan; inflationary pressures primarily related to post-secondary capital projects; resources for the Saskatchewan Literacy Commission; an increase to the Provincial Training Allowance to provide for students' extra energy costs; and, initial implementation costs of the Early Learning and Child Care initiative, which will enhance and expand early learning and child care opportunities for children throughout the Province.

Supplementary Estimates - November

Continued

(in thousands of dollars)

	Voted Supplementary Estimates 2005-06
Property Management - Vote 13	
Major Capital Asset Acquisitions (PM07)	
Machinery and Equipment	1,400
	1,400

Additional funding is required to provide for vehicle acquisition costs which will be recovered through vehicle lease agreements.

Public Service Commission - Vote 33		
Human Resource Development (PS03)		
Human Resource Development		150
		150

Additional funding is required to provide for implementation of the Criminal Record Check policy for government employees and for other operational expenditures.

Rural Development - Vote 43		
Central Management and Services (RD01)		
Executive Management	200	
Central Services	366	
Accommodation Services	265	831
Investment Programs (RD03)		
Saskatchewan Snowmobile Trail Management		550
Industry Development (RD04)		
Regional Development		150
		1,531

Additional funding is required to address costs associated with the establishment of the department in 2005-06 and for tenant improvements required to centralize department staff. Funding is also required to provide an annual grant to the Saskatchewan Snowmobile Fund for snowmobile trail maintenance to support rural economic development in the Province. This expenditure will be offset by revenue generated from increased snowmobile-registration fees.

Supplementary Estimates - November

Continued

(in thousands of dollars)

	Voted Supplementary Estimates 2005-06
SaskEnergy Incorporated - Vote 77	
Saskatchewan Energy Share (SE01)	
Gas Cost Variance Account Deficit Elimination	30,900
Subsidy for Winter Rate	92,040
Assistance for Lloydminster, Saskatchewan Natural Gas Consumers	1,000
	123,940

Additional funding is required to eliminate the October 31, 2005 deficit in SaskEnergy's Gas Cost Variance Account. Funding is also required to reduce SaskEnergy's effective cost of natural gas to $7.95 per gigajoule for its customers for the winter heating season (November 1 to March 31); and, to provide a $200 per account subsidy to regulated-rate natural gas consumers in Lloydminster, Saskatchewan who do not obtain natural gas from SaskEnergy.

Total Budgetary Appropriation - To Be Voted	**579,488**

Amortization

Capital assets require an appropriation in the fiscal year they are acquired. These assets are not expensed upon acquisition. Under accrual accounting, capital assets are charged as an expense over their useful service life as they are consumed. The consumption of capital assets is referred to as amortization and does not require an appropriation.

Amortization of Capital Assets

Environment	725
Rural Development	40
Amortization is a non-voted, non-cash expense and is presented for information purposes only.	**765**

The amortization expense is increased due to acceleration of the multi-year commitment to aerial fleet renewal by the Department of Environment and the tenant improvements for the Department of Rural Development.

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